

Joint Application of  
AIR BALTIC CORPORATION AS  
and  
DELTA AIR LINES, INC.  
for a blanket statement of authorization  
under to 14 C.F.R. Part 212 and, to the  
extent necessary, exemptions under  
49 U.S.C. § 40109

Communications with respect to this document should be sent to:

Christopher Walker  
Director – Regulatory  
and International Affairs  
Steven Seiden  
Director – Regulatory Affairs  
DELTA AIR LINES, INC.  
1212 New York Avenue, NW  
Washington, D.C. 20005  
(202) 216-0700  
chris.walker@delta.com  
steven.seiden@delta.com

LEGAL\52521389\4

**BEFORE THE  
U.S. DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.**

Joint Application of	)	
AIR BALTIC CORPORATION AS	)	
and	)	
DELTA AIR LINES, INC.	)	
for a blanket statement of authorization	)	
under to 14 C.F.R. Part 212 and, to the	)	
extent necessary, exemptions under	)	
49 U.S.C. § 40109	)	

Docket DOT-OST-2021-\_\_\_\_\_

**JOINT APPLICATION OF  
AIR BALTIC CORPORATION AS AND DELTA AIR LINES, INC.**

Air Baltic Corporation AS (“airBaltic”) and Delta Air Lines, Inc. (“Delta,” and, together with airBaltic, the “Joint Applicants”) hereby apply for (i) a blanket statement of authorization under 14 C.F.R. Part 212 and, to the extent necessary, (ii) an exemption under 49 U.S.C. § 40109 to permit airBaltic to display the “DL\*” designator code of Delta on flights operated by airBaltic within the European Union, and to beyond points in third countries, and (iii) an amendment of Delta’s blanket worldwide third-country codeshare exemption to permit Delta to provide codeshare services on flights operated by airBaltic to points neither in open-skies countries nor listed in Delta’s certificate or exemption authorities upon 30 days’ notification to the Department, as Delta has been allowed to do with its other codeshare partners. Consistent with Departmental practice, the Joint Applicants ask that the requested blanket statement of authorization be issued for an indefinite period and the exemptions be issued for a period of at least two years.

In support of this Application, the Joint Applicants state as follows:

1. The Joint Applicants are parties to a codesharing agreement which includes, *inter alia*, codesharing on certain airBaltic-operated routes between points in the European Union.<sup>1</sup> The Joint Applicants intend to initiate these codeshare operations as soon as all necessary government approvals are obtained. The initial route(s) for this service are set forth on Appendix A to this Application.

2. Delta holds a Certificate of Public Convenience and Necessity for Route 840 (Open Skies Certificate), which authorizes Delta, *inter alia*, to engage in scheduled foreign air transportation of persons, property and mail between points in the United States, on the one hand, and points in open skies partner countries (including Latvia), on the other hand, either nonstop or via intermediate points, and beyond. See Order 2007-4-27.

3. airBaltic holds a foreign air carrier permit, which authorizes airBaltic, *inter alia*, to engage in scheduled foreign air transportation of persons, property and mail from any point or points behind any Member State of the European Union, via any point or points in any Member States and via intermediate points to any point or points in the United States and beyond; provided such operations are pursuant to a codeshare arrangement with a duly authorized U.S. or foreign air carrier, where airBaltic is not physically operating flights to and from the United States. See Order 2015-7-5.

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<sup>1</sup> A redacted copy of the airBaltic/Delta codesharing agreement is attached to this Application.

4. airBaltic respectfully requests a blanket statement of authorization to display the DL\* designator code of Delta on flights operated by airBaltic within the European Union, and to beyond points in third countries.

5. To the extent necessary to allow airBaltic to display the DL\* designator code as described herein, airBaltic also respectfully requests that the Department issue to airBaltic an exemption under 49 USC § 40109.<sup>2</sup> Further to this contingent exemption request and pursuant to Rule 24 of the Department's Rules of Practice in Proceedings, airBaltic asks the Department to take notice of all data previously filed in Docket DOT-OST-2015-0065 to establish airBaltic's fitness.

6. To the extent necessary to fully implement the proposed codeshare arrangement with airBaltic and maximize its flexibility to provide worldwide third-country codeshare services by placing its code on airBaltic's flights serving points for which Delta does not otherwise hold authority, Delta asks the Department to amend its worldwide blanket exemption authority in Docket DOT-OST-2005-20145 to permit similar codesharing with airBaltic.<sup>3</sup> Delta asks that its amended exemption authority be granted for a period of at least two years.

7. The codeshare operations for which approval is sought herein are fully consistent with Article 10.7 of the U.S.-EU Open Skies Agreement, the applicable air transport agreement.

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<sup>2</sup> See, e.g., Notice of Action Taken in Docket DOT-OST-2016-0038 (issued April 26, 2016) (granting exemption to the extent necessary to permit Transavia Airlines C.V. ("Transavia") to display the DL\* designator code of Delta on flights operated by Transavia within the European Union, and to beyond points in third countries).

<sup>3</sup> See, e.g., Notice of Action Taken in Docket DOT-OST-2005-20145 (issued August 14, 2019) (renewing Delta's blanket worldwide third-country codeshare exemption authority).

8. Grant of the relief requested herein also is consistent with the public interest. As the Department has long recognized:

Increased international code sharing and other cooperative arrangements can benefit consumers by increasing international service options and enhancing competition between carriers, particularly for traffic to or from cities behind major gateways. By stimulating traffic, the increased competition and service options should expand the overall international market and increase overall opportunities for the aviation industry.<sup>4</sup>

9. The proposed services will enable Delta to provide additional online service and, in the process, serve the interests of comity and reciprocity, and benefit international travelers and shippers.

10. The codeshare operations which are the subject of this Application will be conducted in compliance with Part 257 of the Department's Economic Regulations. The Joint Applicants will accept the Department's standard conditions imposed on codeshare arrangements such as those described herein. Delta's engagement in these codeshare services will not affect its commitment of aircraft to the CRAF program.

11. Pursuant to the Department's Notice in the Matter of Blanket Notification of Codeshare Service to Open Skies Partners and Points (issued Feb. 9, 2009) and further to the blanket statement of authorization sought herein, the Joint Applicants hereby provide notice of their intent to engage in codeshare services to open skies points. Either airBaltic or Delta will notify the Department no later than 30 days before commencing any codeshare services to non-open skies points.

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<sup>4</sup> Statement of United States International Air Transportation Policy, 60 Fed. Reg. 21,841 (May 3, 1995).

12. airBaltic is registered under the IATA Operational Safety Audit (“IOSA”) Program. Delta’s compliance statement on airBaltic’s codeshare safety audit will be presented to the FAA for acceptance in due course.

13. Although Latvia is a Contracting State to the Convention on International Civil Aviation (“ICAO”) and observes all applicable ICAO standards, Latvia presently is not rated under the FAA’s International Aviation Safety Assessment (“IASA”) Program. The Joint Applicants understand that inter-governmental consultations in connection with the assessment of Latvia under the IASA Program have been, or soon will be, commenced. The Joint Applicants will not allow the DL\* code of Delta to be displayed on airBaltic-operated flights prior to Latvia being rated a Category 1 Country under the IASA Program.


14. The exemption authorities sought herein do not raise any environmental issues. All codeshare services will be conducted outside the United States, and approval will not result in a near-term increase in fuel consumption of ten million gallons or more.

# # #

**WHEREFORE**, for the foregoing reasons, the Joint Applicants respectfully request that the Department grant (i) a blanket statement of authorization and, to the extent necessary, exemption authorities, to permit the codeshare operations described herein, and (ii) such other or additional relief as the Department considers consistent with this Application and the public interest.

  
\_\_\_\_\_  
Jonathon H. Foglia  
Cozen O'Connor

COUNSEL FOR  
AIR BALTIC CORPORATION AS

  
\_\_\_\_\_  
Christopher Walker  
Director – Regulatory  
and International Affairs  
Steven Seiden  
Director – Regulatory Affairs

DELTA AIR LINES, INC.

June 2, 2021

## **Appendix A**

Display of the Designator Code (DL\*) of Delta on flights operated by airBaltic:

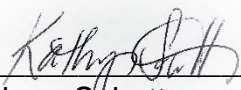
- Amsterdam (AMS) – Riga (RIX)
- Amsterdam (AMS) – Vilnius (VNO)
- Amsterdam (AMS) – Tallinn (TLL)
- Barcelona (BCN) – Riga (RIX)
- Brussels (BRU) – Riga (RIX)
- Brussels (BRU) – Tallinn (TLL)
- Copenhagen (CPH) – Riga (RIX)
- Copenhagen (CPH) – Tallinn (TLL)
- Dublin (DUB) – Riga (RIX)
- Dusseldorf (DUS) – Riga (RIX)
- Edinburgh Riga – (RIX)
- Frankfurt (FRA) – Riga (RIX)
- Madrid (MAD) – Riga (RIX)
- Munich (MUC) – Riga (RIX)
- Munich (MUC) – Tallinn (TLL)
- Munich (MUC) – Vilnius (VNO)
- Milan (MXP) – Riga (RIX)
- Nice (NCE) – Riga (RIX)
- Paris (CDG) – Riga (RIX)
- Paris (CDG) – Vilnius (VNO)
- Paris (CDG) – Tallinn (TLL)
- Prague (PRG) – Riga (RIX)
- Stuttgart (STR) – Riga (RIX)
- Zurich (ZRH) – Riga (RIX)



## Certificate of Service

I hereby certify that on June 2<sup>nd</sup>, 2021, I caused a copy of the foregoing Joint Application of airBaltic and Delta to be served on the following persons via email:

American Airlines:	robert.wirick@aa.com john.b.williams@aa.com
Atlas Air/Southern:	rpommer@atlasair.com naveen.rao@atlasair.com
Federal Express:	anne.bechdolt@fedex.com sllunsford@fedex.com brian.hedberg@fedex.com
Kalitta Air:	psanderlin@kalittaair.com nwallace@wallaceair.com matwood@cozen.com
United Airlines:	amna.arshad@freshfields.com steve.morrissey@united.com dan.weiss@united.com
UPS:	dsmalls@ups.com anita.mosner@hklaw.com jennifer.nowak@hklaw.com
DOT/FAA:	benjamin.taylor@dot.gov brett.kruger@dot.gov robert.finamore@dot.gov david.christofano@dot.gov rick.domingo@faa.gov

  
Kathryn Sobotta

*Execution Copy*

**CODESHARE AGREEMENT**

between

**AIR BALTIC CORPORATION AS (d/b/a AIRBALTIC)**

and

**DELTA AIR LINES, INC.**

June 1, 2021

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## CODESHARE AGREEMENT

**THIS CODESHARE AGREEMENT** (this “**Agreement**”), is entered into as of **June 1, 2021** (the “**Effective Date**”), by and between **Air Baltic Corporation AS, d/b/a airBaltic** (“**airBaltic**” or “**BT**”) a company incorporated under the laws of the Republic of Latvia, with registered office at Tehnikas iela 3, Lidosta “Rīga”, Marupes nov., LV-1053, Latvia, and **Delta Air Lines, Inc.** (“**Delta**”) a company incorporated under the laws of Delaware, USA, with its principal corporate offices at 1030 Delta Boulevard, Atlanta, Georgia 30354, USA.

airBaltic and Delta may collectively be referred to in this Agreement as the “**Parties**” or individually as a “**Party**”.

In consideration of the mutual covenants and promises in this Agreement, airBaltic and Delta hereby agree as follows:

### 1. DEFINITIONS

- 1.1 Capitalized terms used in this Agreement shall have the meanings set forth in Annex A attached to this Agreement. Such meanings shall be equally applicable to both the singular and plural forms of such terms.
- 1.2 The Parties agree that accepted industry procedures and agreements relating to the interlining of passengers and baggage set forth in IATA Resolution 780 Interline Traffic Agreement – Passenger for all international carriage shall apply to the provision of air transport and the related transactions contemplated by this Agreement, except to the extent they are inconsistent or conflict with the terms of this Agreement or any other written agreement between the Parties.

### 2. CODESHARE SERVICES

- 2.1. The Parties shall mutually designate certain flights on which the Parties shall place their respective Codes (each, a “**Codeshare Flight**”) serving the city-pair routes identified in writing by the Parties from time to time (each, a “**Codeshare Route**”). The initial list of Codeshare Routes on which the Parties may codeshare is attached to this Agreement as Annex B.
- 2.2. Detailed procedures for implementing this Agreement will be set forth in a Procedures Manual, which will be prepared by the Parties before implementing this Agreement. The terms of this Agreement shall prevail in the event of a conflict between a provision of this Agreement and any provision of the Procedures Manual.
- 2.3. The Operating Carrier for each Codeshare Flight shall provide to the Codeshare Passengers the same standards of customer service as it provides to its own passengers traveling in the same class of service, which standard shall, in any event, be reasonably in accordance with the standards of customer service established by the Marketing Carrier for the comparable class of service on its flights. Customer service standards, general passenger service procedures, and policies for the Codeshare Flights, including baggage services, shall be included in the Procedures Manual.
- 2.4. The Parties shall use commercially reasonable efforts to coordinate their service schedules to maximize the convenience and minimize the waiting time of passengers making connections between the Codeshare Flights and other flights operated by the Parties; provided, however, that neither Party is obligated to operate specific flights or service schedules and each Party retains the right to determine the service schedules of its own flights.

- 2.5. The Parties may add Codeshare Flights, as mutually agreed from time to time, without formally amending this Agreement. Each Party may, at any time and in its sole discretion, discontinue placing its Code or displaying the other Party's Code on any Codeshare Flights, and, in any such event, shall provide prompt written notice to the other Party of such discontinuation or removal and the other Party shall cooperate in publishing the resulting changes to affected Codeshare Flights in the Airline Guides, CRSs, Reservations Systems and other sources of airline schedule information.
- 2.6. The Operating Carrier reserves the right, in its sole discretion, to discontinue any specific route, flight or schedule. In the event of a decision to discontinue a route, flight or schedule, the Operating Carrier shall, as soon as practicable, notify the Marketing Carrier and the Marketing Carrier shall cooperate in publishing the resulting changes to affected Codeshare Flights in its Reservations Systems, and the Airline Guides, CRSs and other sources of airline schedule information in which it participates. Unless otherwise agreed by the Parties in writing, in the event of any flight cancellation or other schedule irregularity, involuntary rerouting or denied boarding by the Operating Carrier with respect to a Codeshare Flight (each, an **"Irregular Event"**):
- a) The Operating Carrier shall notify the Marketing Carrier in writing as set forth in the Procedures Manual;
  - b) For all Irregular Events within [REDACTED] before the scheduled departure time or at any time after the scheduled departure time, the Operating Carrier shall ensure that all Codeshare Passengers are re-accommodated and handled in accordance with the same policies and procedures and are given equal treatment (including, without limitation, in relation to boarding priority and accommodation) as the Operating Carrier extends to its own passengers traveling in the same class of service and comparable journey length, and the Operating Carrier, at its own cost and expense (except to the extent such Irregular Event is caused by the Marketing Carrier), shall accommodate and/or pay denied boarding compensation or otherwise compensate Codeshare Passengers in the same manner as its own passengers; and
  - c) In case an Irregular Event occurs more than [REDACTED] prior to the scheduled departure time and the Marketing Carrier is duly notified of such Irregular Event by the Operating Carrier, the Marketing Carrier shall be responsible for any re-accommodation, compensation and/or reimbursement with respect to any Codeshare Passenger.
- 2.7. With respect to Codeshare Passengers, matters between the passenger and the Marketing Carrier concerning transportation of Codeshare Passengers on Codeshare Flights shall be governed by the Conditions of Carriage of the Marketing Carrier. As between the Parties, the Conditions of Carriage of the Operating Carrier shall govern the transportation of Codeshare Passengers on Codeshare Flights. The Parties will use commercially reasonable efforts to identify any material discrepancies between their respective Conditions of Carriage and use commercially reasonable efforts to develop procedures to minimize potential service inconvenience or disruption to Codeshare Passengers due to such discrepancies. For the avoidance of doubt, each Party's operations shall be conducted in accordance with its own Conditions of Carriage and neither Party shall be obligated to change its Conditions of Carriage pursuant to this Agreement. Notwithstanding the provisions of this Section 2.7, the liability of the Parties to each other with respect to passenger claims shall be governed by Sections 16, 17 and 18.
- 2.8. The Operating Carrier shall ensure that each Codeshare Flight operated by it shall be operated under its operating certificate. In the event that the Operating Carrier intends to substitute for a Codeshare Flight

an aircraft that will be operated under the operating certificate of a third party, the Operating Carrier shall provide the Marketing Carrier with prior written notice of its intention. Such notice shall be provided to the Marketing Carrier as soon as practicable after the Operating Carrier makes its decision regarding the aircraft substitution. The Marketing Carrier shall have the right, should it elect to do so, to (i) accommodate its Codeshare Passengers on the substitute aircraft, or (ii) remove its Code from such Codeshare Flight, and re-accommodate its Codeshare Passengers ticketed for travel on such Codeshare Flight to another flight. The Operating Carrier shall reimburse the Marketing Carrier for all costs of such re-accommodation, including (i) any additional costs incurred to re-accommodate the Codeshare Passengers on a third-party carrier acceptable to the Marketing Carrier, on the same route or with a routing that duplicates as closely as practicable, the Codeshare Passenger's original routing, in the same class of service if available, or if not, in a higher class of service, and (ii) any hotel, meal, and other incidental costs associated with the re-accommodation.

Except as set forth in Section 29, if the Operating Carrier subcontracts the operation of a service to a third party in accordance with Section 23, the liability of the Operating Carrier shall remain unaffected and the Operating Carrier shall remain bound by the terms of this Agreement, including Section 16 and Section 18, as if it were a flight operated by the Operating Carrier. This Section does not apply where the Operating Carrier merely endorses a Codeshare Passenger's ticket to a carrier that provides scheduled passenger air transportation services.

### **3. IMPLEMENTATION EXPENSES**

- 3.1. Each Party shall bear its own costs and expenses of performance under this Agreement, including, without limitation, costs and expenses associated with the following, unless otherwise agreed in writing by the Parties:
  - a) any systems to support the automation of procedures and settlement relating to the Codeshare Flights (e.g., PNR exchange, yield management, revenue accounting, etc.), including routine maintenance thereof; and
  - b) roadside, exterior, check-in, concourse, gate and baggage service signage placed at airports and city ticket offices in locations served by the Codeshare Flights in order to facilitate travel on the Codeshare Flights.
- 3.2. Each Party shall retain all right, title and interest in systems, software, signage, equipment and facilities funded by it. Ownership of jointly funded systems, software, signage, equipment and facilities, if any, shall be determined by the Parties in advance of any such project.

### **4. INVENTORY CONTROL AND PROCEDURES**

- 4.1. The Marketing Carrier shall have access to the Operating Carrier's seat inventory availability through an automated computerized interface, which both Parties shall maintain throughout the Term of this Agreement, to expedite the sale of seat inventory on the Codeshare Flights. Detailed procedures for implementing and maintaining seat inventory access shall be contained in the Procedures Manual.
- 4.2. The Parties shall map inventory classes of the Marketing Carrier to inventory classes of the Operating Carrier on the Codeshare Flights, as set forth in the Procedures Manual. The Parties shall endeavor to map the average coupon value of the Marketing Carrier's inventory classes to comparable classes of the Operating Carrier to provide similar access for bookings made by the Marketing Carrier for passengers yielding comparable net revenue values; provided, however, the Parties agree that the



Operating Carrier shall retain ultimate control over the opening, closing and other management of seat inventory availability on Codeshare Flights.

- 4.3. The Parties shall from time to time review and modify the mapping of seat inventory to ensure that the Marketing Carrier's inventory classes are mapped to the comparable inventory classes of the Operating Carrier.
- 4.4. Delta as the Marketing Carrier will be subject to capacity limitations such that, in any one month, Delta shall not sell more than [REDACTED] of the available seats on the Codeshare Flights flown by airBaltic in such month. This limitation is measured by reviewing the total passengers boarded by Delta (as the Marketing Carrier) in a monthly period on all airBaltic Codeshare Flights in the applicable city pair. This limitation shall not apply to individual flights, flight days or time periods within a monthly measuring period. The Parties shall cooperate so that procedures are in place at Delta and at airBaltic to ensure that seats sold by Delta as the Marketing Carrier conform to this limitation. The Parties agree to modify this language, as necessary, to make it consistent with the requirements of either Party's labor contracts.

## **5. MARKETING AND PRODUCT DISPLAY**

- 5.1. Codeshare Flights shall be marketed and promoted by the Marketing Carrier under its Code. Each Party shall ensure that its respective advertising and promotions comply with all Applicable Laws. The Marketing Carrier shall comply with any Applicable Law regarding the disclosure and holding out of Codeshare Flights provided for in this Agreement. The Marketing Carrier shall disclose to the extent required by Applicable Law through industry-approved schedule and selling mechanisms, to consumers, travel agents and others selling the Codeshare Flights, as well as through any advertising, point-of-sale disclosures and any other appropriate means, that each Codeshare Flight is a flight of and operated by the Operating Carrier. Such information shall be given before a ticket is sold and in any event at the earliest reasonable opportunity and in accordance with Applicable Law.
- 5.2. The Marketing Carrier may identify the Codeshare Flights, in accordance with Applicable Law, in Airline Guides, CRSSs, Reservations Systems and other sources of airline schedule information using the Marketing Carrier's Code. Any costs incurred for the publication of Codeshare Flights or connections to and from such flights in Airline Guides, CRSSs, Reservation Systems and other sources of airline schedule information shall be borne by the Marketing Carrier. Each Party shall include the Codeshare Flights in its Reservations Systems.
- 5.3. Unless otherwise agreed by the Parties, the Marketing Carrier shall file its standard schedule data for the Codeshare Flights on any Codeshare Route using the appropriate traffic restriction code (or any successor code), as defined in the IATA Standard Schedules Information Manual, Appendix G, in order to suppress the display of the Marketing Carrier's Codeshare Flights on such Codeshare Route for local market display (i.e., the Marketing Carrier's Codeshare Flights on such route shall be limited to passengers connecting online to another flight marketed or operated by the Marketing Carrier).
- 5.4. Unless otherwise agreed by the Parties, all information and advertising materials produced with the aim of promoting the Codeshare Flights shall clearly identify both Parties. All joint advertising of any Codeshare Flights shall be subject to prior agreement of the Parties and the costs of such joint advertising and promotion shall be shared as mutually agreed.
- 5.5. Each Party shall use its own flight number in referencing the Codeshare Flights except that only the Operating Carrier's flight number shall be used in actual flight operations (e.g., air traffic control).

## **6. TRAFFIC DOCUMENT ISSUANCE AND FINANCIAL SETTLEMENT**

- 6.1 Passenger traffic documents for use on the Codeshare Flights may be issued by either Party or by third parties with whom the Parties from time to time have interline traffic agreements.
- 6.2 All Marketing Carrier Flight Coupons honored on Codeshare Flights shall be uplifted by the Operating Carrier, which shall be responsible for processing and billing of such documents as follows:
  - (a) The Operating Carrier shall bill uplifted coupons to the Ticketing Carrier using the normal interline settlement process of the IATA Clearing House. Such Marketing Carrier Flight Coupons shall be prorated and billed according to the special prorate agreement or revenue settlement agreement between the Operating Carrier and the Ticketing Carrier, or, in the absence of an applicable special prorate agreement or revenue settlement agreement, in accordance with the IATA Prorate Manual, as applicable.
  - (b) If the Operating Carrier does not have an interline traffic agreement with the Ticketing Carrier that issues a Marketing Carrier Ticket and is unable to obtain satisfactory settlement, the Operating Carrier may bill such coupon to the Ticketing Carrier as an exceptional item (i.e., via correspondence) and such coupons shall be valued for billing and proration purpose in accordance with the applicable bilateral agreement. Any bilateral agreement between the Marketing Carrier and the Ticketing Carrier shall not apply to the Codeshare Flights unless expressly agreed by the Operating Carrier.
  - (c) If the Operating Carrier has an interline traffic agreement with a Ticketing Carrier that issues a Marketing Carrier Ticket but is unable to obtain satisfactory settlement, the Marketing Carrier shall assist the Operating Carrier to the extent commercially reasonable in obtaining settlement of amounts due but shall not be liable for any losses incurred due to the failure to collect such amounts.
- 6.3 To support interline billing by the Operating Carrier to third parties and involuntary rerouting and refunding of Marketing Carrier Tickets by the Operating Carrier, the Marketing Carrier hereby waives endorsement requirements for the Operating Carrier with respect to all Marketing Carrier Flight Coupons. Unless otherwise agreed in writing by the Parties, such waiver shall be effective [REDACTED] before the implementation date of the first Codeshare Flight and shall remain in effect for [REDACTED] after the termination of this Agreement to facilitate the re-accommodation of any Codeshare Passengers ticketed for travel after the termination date.
- 6.4 Prior to the first Codeshare Flight, the Marketing Carrier shall file with ATPCO, a TCN (transaction control number) codeshare agreement pursuant to which the Marketing Carrier provides the range of its Marketing Carrier Flight numbers. The Marketing Carrier shall be responsible, throughout the term of the TCN codeshare agreement, for updating its Marketing Carrier Flight numbers with ATPCO.
- 6.5 The proration of fares and other revenues with respect to Marketing Carrier Tickets shall be settled between the Parties in accordance with the Special Prorate Agreement.

## **7. TRAINING**

- 7.1 Except as otherwise agreed by the Parties, each Party shall provide or arrange, at its sole cost and expense, all initial and recurring training of its personnel to facilitate the Codeshare Flights and operations at airports served by the Codeshare Flights, including reservations and ticket offices, and other points of contact between the Parties and the public. This training shall include passenger service,



reservations and sales activities, and in-flight service involving the Codeshare Flights, all as more fully described in the Procedures Manual.

- 7.2 The Parties may disclose to each other any training materials developed to support the Codeshare Flights, provided that all rights to any such materials shall remain with the Party that originally developed such materials.

## **8. SECURITY**

- 8.1 The Parties shall cooperate with each other with respect to security procedures and requirements at all airports served by the Codeshare Flights.
- 8.2 The Operating Carrier reserves the right to apply the provisions of its own security programs to the carriage of all passengers, baggage and cargo on board the Codeshare Flights, but shall, at a minimum, comply with the standards imposed by all relevant Competent Authorities and shall be reasonably acceptable to the Marketing Carrier, with the understanding that safety and security are of the most importance to both Parties. Such provisions may include any then applicable procedures used for the physical screening of passengers, baggage and cargo, interviewing of passengers, and/or selective loading of baggage and cargo.
- 8.3 The Party that originates the passenger travel on itineraries that include a Codeshare Flight shall ensure that the customer is properly documented for entry into the destination country and is properly documented for any transit points en route. Any fines, penalties, deportation and detention expenses resulting from violations of government entry or transit requirements, even for passengers that willfully engage in any illegal entry tactics, shall be the sole responsibility of the Party that originates the passenger travel on any such itinerary.

## **9. SAFETY AND EQUIPMENT MAINTENANCE**

- 9.1 The Operating Carrier shall at all times have operational control of its aircraft and the final authority and responsibility concerning the operation and safety of the aircraft and its passengers, including Codeshare Passengers. The Parties agree that, in the case of a significant accident, incident or emergency, the Operating Carrier shall immediately notify the Marketing Carrier, furnishing upon request all information available to it. Further emergency support shall be in accordance with procedures set forth in the Procedures Manual.
- 9.2 The Operating Carrier shall have sole responsibility for the maintenance of its leased and owned aircraft, and for other equipment used in connection with the Codeshare Flights. Maintenance of such aircraft and equipment shall, at a minimum, comply with the standards imposed by the relevant Competent Authorities.
- 9.3 The Operating Carrier shall have the absolute right to delay the departure of any aircraft, to decrease its authorized payload, to substitute aircraft, or to divert, interrupt or cancel a flight whenever operational, technical or safety reasons so require.
- 9.4 Each Party represents and warrants to the other that it has successfully passed the IATA Operational Safety Audit (IOSA - Audit) and agrees to maintain the IOSA requirements throughout the Term of this Agreement.

- 9.5 The Marketing Carrier shall have the right, at its own cost and expense, to review and observe the Operating Carrier's operations of Codeshare Flights and/or to conduct a reasonable safety and/or service review of the Operating Carrier's operations, manuals and procedures reasonably related to the Codeshare Flights (the "**Marketing Carrier Reviews**"), at such intervals as the Marketing Carrier may reasonably request. The Marketing Carrier Reviews shall be coordinated with the Operating Carrier so as to avoid any disruption to the Operating Carrier's operations. Such reviews will be limited to areas that reasonably relate to the Operating Carrier's safety/security standards and service obligations under this Agreement. Such reviews may include an inspection of the Operating Carrier's authorizations from all applicable Competent Authorities. NOTWITHSTANDING THE FOREGOING, THE MARKETING CARRIER DOES NOT UNDERTAKE ANY RESPONSIBILITY OR ASSUME ANY LIABILITY FOR ANY ASPECT OF THE OPERATING CARRIER'S OPERATIONS, NOR SHALL THE OPERATING CARRIER BE ENTITLED TO ASSERT ANY RESPONSIBILITY OR ASSUMPTION OF LIABILITY ON THE PART OF THE MARKETING CARRIER FOR THE OPERATING CARRIER'S OPERATIONS.

#### **10. FREE AND REDUCED RATE TRANSPORTATION**

Unless otherwise set forth in relevant agreements between the Operating Carrier and other parties (including the Marketing Carrier), neither the Marketing Carrier nor the Operating Carrier nor any third party shall be entitled to ticket travel industry non-revenue or discounted (i.e., agency discount, industry discount, etc.) travel on Codeshare Flights, and the Operating Carrier shall not honor any Marketing Carrier Flight Coupons for such industry non-revenue or discounted travel, except at the Operating Carrier's expense.

#### **11. EXCLUSIVITY**

Nothing in this Agreement confers any rights on either Party to restrict the other Party's ability:

- (a) to maintain or change rates, fares, tariffs, markets, schedules, equipment, services, distribution and marketing methods, competitive strategies or similar matters;
- (b) to engage in vigorous and full competition with each other and other entities; or
- (c) to do business, or choose not to do business, with other entities.

#### **12. INTELLECTUAL PROPERTY**

- 12.1 Each Party acknowledges and agrees that ownership of or title to any Intellectual Property made available by either Party pursuant to this Agreement, together with any goodwill in or attaching to such Intellectual Property, shall remain at all times with such Party.
- 12.2 Each Party will use commercially reasonable efforts to refrain from taking any action that infringes, jeopardizes, undermines or reduces the value of, or in any way dilutes, the other Party's ownership of or other rights in its Intellectual Property.
- 12.3 Each Party grants a non-exclusive, non-transferable, worldwide and royalty-free license to the other Party to use its Marks for promotion of the arrangements contemplated under this Agreement, subject to the following conditions:
  - (a) each Party agrees to use the Marks of the other Party only as approved in writing by such other Party;

- (b) each Party agrees that the use of the other Party's Marks shall not be derogatory nor likely to bring the same into disrepute;
- (c) each Party agrees that any and all rights arising as a result of the use of the other Party's Marks shall accrue solely to the benefit of such other Party;
- (d) each Party shall, in all cases, be the sole judge in determining the acceptability of both the quality and presentation of advertising and promotional materials using its Marks;
- (e) each Party shall cooperate with the other Party in controlling and protecting such other Party's Marks and the goodwill attached thereto by reproducing the appropriate trade mark or copy right notice as requested by such other Party in writing;
- (f) each Party shall promptly notify the other Party of any infringement or suspected infringement of such other Party's Marks to which such Party becomes aware, and shall not communicate with any infringer or suspected infringer without obtaining the prior written approval of such other Party; and
- (g) each Party shall have the exclusive right to sue or take other action against infringers of its Marks, and the other Party shall not have any claim to the proceeds (or any portion thereof) of any such lawsuits or other actions or settlements related thereto but such other Party shall, upon the request of such Party and at such Party's reasonable expense, reasonably assist such Party in the investigation of, and any legal action related to, any such infringement.

12.4 Notwithstanding the limitations of this Section 12, each Party shall be entitled, without prior approval, to use the Marks of the other Party for purposes of complying with 14 C.F.R Part 257 (U.S. DOT Airline Designator Code Sharing Policy) or any comparable regulations imposed by any Competent Authority.

### **13. REPRESENTATIONS AND WARRANTIES**

13.1 Each Party hereby represents and warrants to the other as follows:

- (a) It is a duly incorporated and validly existing corporation, in good standing under the laws of its jurisdiction of incorporation; is an air carrier duly authorized to act as such by the government of its country of incorporation; and has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery, and performance of this Agreement by it have been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by it, and, assuming due authorization, execution, and delivery by the other Party hereto, this Agreement constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms, except to the extent that enforceability may be limited or modified by the effect of bankruptcy, insolvency or other similar laws affecting creditors' rights generally, and the application of general principles of equity and public policy.
- (b) The execution, delivery or performance by it of this Agreement, shall not: (i) contravene, conflict with or cause a default under (A) any Applicable Law, or (B) any provision of its charter, certificate of incorporation, bylaws or other documents of corporate governance; or (ii) contravene, or cause a breach or violation of, any agreement or instrument to which it is a Party

or by which it is bound, except where such contravention, breach or violation would not have a material adverse effect on it or its operations, taken as a whole or on its ability to perform this Agreement.

- (c) The execution, delivery and performance by it of this Agreement do not require the consent or approval of, or the giving of notice to, the registration with, the recording or filing of any documents with, or the taking of any other action in respect of, any Competent Authority, any trustee or holder of any of its indebtedness or obligations, any stockholder or any other person or entity, other than the Governmental Approvals, except where failure to obtain or take such action would not have a material adverse effect on it or a material adverse effect on the transactions contemplated in this Agreement.

- 13.2 Each of the foregoing representations and warranties shall survive the execution and delivery of this Agreement.

#### **14. GOVERNMENTAL APPROVALS**

- 14.1 All Codesharing under this Agreement shall be subject to receipt of all required Governmental Approvals and Codeshare Flights shall therefore not commence until receipt of such approvals.
- 14.2 Each Party shall use all commercially reasonable efforts to obtain such Governmental Approvals in a timely and efficient manner. If the Governmental Approvals are obtained with respect to some but not all Codeshare Routes listed in Annex B, the Parties may, by mutual agreement, elect to proceed under this Agreement solely with respect to the approved Codeshare Routes, and the Parties shall thereafter continue to endeavor to obtain the Governmental Approvals required for the remaining Codeshare Routes.
- 14.3 Each Party shall immediately provide the other Party with copies of any correspondence or notices it receives from time to time from any Competent Authority with respect to the Codeshare Routes, Codeshare Flights or this Agreement to the extent the same may have any material effect on any Government Approval, including with respect to the airworthiness of the aircraft used for the Codeshare Flights or noncompliance by the Operating Carrier with operational, training or safety rules and procedures.
- 14.4 In the event that any required Governmental Approval is revoked at any time, each of the Parties shall use its commercially reasonable efforts to reinstate such approvals.

#### **15. TERM AND TERMINATION**

- 15.1 This Agreement shall become effective on the Effective Date and shall continue in full force and effect until terminated in accordance with the provisions of this Section 15 or as provided elsewhere in this Agreement (the "**Term**").
- 15.2 In addition to all other termination rights set forth in this Agreement, either Party may terminate this Agreement at any time, with or without cause, by delivery of not less than [REDACTED] prior written notice to the other Party, provided, however, such termination may not be effective prior to [REDACTED] of the Effective Date. For the avoidance of doubt, Codeshare Flight operations on a Codeshare Route shall not begin until all applicable Governmental Approvals have been issued with respect to such Codeshare Route.



15.3 In addition to any other termination rights in this Agreement, this Agreement may be terminated as follows:

- (a) at any time by mutual written consent of the Parties;
- (b) by the non-breaching Party upon the breach of a material term, covenant, representation or warranty of this Agreement, provided that the non-breaching Party provides the breaching Party prior written notice describing the alleged breach with as much particularity as reasonably practicable. Termination under this Section 15.3(b) shall not be effective if the breaching Party corrects such breach within [REDACTED] following receipt of such notice, or if such breach cannot be corrected within [REDACTED] following receipt of such notice, and the breaching Party so advises the non-breaching Party, takes actions reasonably expected to correct such breach and completely corrects such breach no later than [REDACTED] following the receipt of such notice;
- (c) by either Party upon written notice if the other Party (i) makes an assignment for the benefit of creditors; (ii) suspends the payment of or admits in writing its inability to pay, or generally fails to pay, its debts as they become due; (iii) proposes or commences a moratorium upon or extension or composition of its debts; (iv) files a petition for bankruptcy, composition, corporate reorganization, corporate liquidation, arrangement or special liquidation proceedings; or (vi) ceases all or a substantial part of its operations (other than due to Force Majeure);
- (d) by either Party if any individual, entity or group (consisting of two or more persons acting as a partnership or syndicate) is, becomes, or has the right within [REDACTED] to become the beneficial owner (by having or sharing, directly or indirectly, through any contract, arrangement, understanding or otherwise, the voting power of the security or having the right to dispose or direct disposition) of securities of the other Party representing [REDACTED] or more of the voting power of all outstanding securities of the other Party entitled to vote generally for the election of directors;
- (e) by either Party upon the consummation of a merger or consolidation in which the other Party is the acquired corporation, a sale or disposition of all or substantially all of the other Party's assets, or of a plan of liquidation or dissolution of the other Party;
- (f) by either Party if the other Party's passenger operations have significantly changed, unless such change is primarily attributable to an event or circumstance described in Section 21.1. For the purpose of the foregoing, a Party's passenger operations shall be considered to have "significantly changed" only if, in any IATA Season the capacity (measured by the number of seats) which it offers for sale decreases by [REDACTED] or more from the capacity which it offered for sale in the same IATA Season of the prior [REDACTED];
- (g) by either Party in the event of a Force Majeure Event affecting the other Party which continues for at least [REDACTED], provided that such right of termination is exercisable only while such Force Majeure Event is still continuing;
- (h) by either Party in the event that any Governmental Approval is subsequently revoked or materially altered by any Competent Authority with respect to either Party, or if (subject to Section 24) any material part of this Agreement is, or shall become, or shall be declared illegal, invalid or unenforceable in any material jurisdiction (including both by reason of the provisions of any legislation and also by reason of any decision of any Competent Authority), with such revocation,

alteration, illegality, invalidity or unenforceability having a material adverse effect (materiality being judged in the context of this Agreement as a whole and also taking into account the comparable effects of any such government declaration on other airline alliances) on the benefits that would otherwise be available from this Agreement to the Party terminating this Agreement;

- (i) by either Party if the transactions contemplated by this Agreement have not been implemented within [REDACTED] after the Effective Date, or such later date as is mutually agreed by the Parties, provided that a Party may not terminate this Agreement pursuant to this clause (i) if the failure to implement such transactions within such period is the result of a breach of this Agreement by such Party; or
  - (j) by Delta, if airBaltic or any Affiliate of airBaltic becomes a member of a branded international airline alliance other than the SkyTeam Alliance.
- 15.4 In the event of termination of this Agreement, the Marketing Carrier shall, in its sole discretion, unless termination is pursuant to Section 15.3(b), (c), (g) or (j), take all reasonable actions to confirm and preserve reservations on the Operating Carrier for passengers scheduled to be traveling on Marketing Carrier Tickets and, as applicable, endorse or otherwise modify or reissue such tickets to permit use on the Operating Carrier. The Operating Carrier shall accept passengers traveling on such tickets as if such reservations had been booked through the Operating Carrier using ordinary interline procedures but giving effect to the revenue settlement methodology provided for in the Special Prorate Agreement.
- 15.5 Upon any termination pursuant to this Agreement, each Party agrees to use all commercially reasonable efforts to minimize the cost of termination for the other Party and to minimize customer confusion and other potential adverse effects of the termination.
- 15.6 Any termination of this Agreement shall be without prejudice to the rights and remedies available to a Party upon breach of this Agreement by the other Party.
- 15.7 The provisions of Sections 1, 12, 13, 15, 16, 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29 and 30 shall survive the termination or expiration of this Agreement as necessary in order to permit the Parties to satisfy any obligations hereunder following such termination or expiration.

## 16. INDEMNIFICATION

- 16.1 Without prejudice to any other written agreement of either Party to indemnify the other Party, the Party that is the Operating Carrier (or whose Authorized Affiliate is the Operating Carrier) shall indemnify, defend, and hold harmless the Marketing Carrier and its Affiliates and their respective directors, officers, employees and agents (individually a "**Marketing Carrier Indemnified Party**" and collectively, the "**Marketing Carrier Indemnified Parties**") from and against any and all Damages arising out of, caused by, or occurring in connection with (or alleged to arise out of, be caused by, or be occurring in connection with) any of the following:
- (a) the death of or injury to or delay of persons, or delay or loss of or damage to property (including aircraft, equipment, baggage, mail or cargo) occurring while such persons or property are under the control or in the custody of, or being transported by, the Operating Carrier (including, for the avoidance of doubt, Damages arising out of the death of or injury to Codeshare Passengers traveling on Marketing Carrier Tickets irrespective of conditions or limitations of liability that apply or may purport to apply);

- (b) the death of or injury to, or loss or damage to property of, third parties not carried on board the aircraft operated by the Operating Carrier but occurring in connection with such operations.
- (c) negligent acts or omissions of the Operating Carrier related to its obligations under this Agreement, other than Damages to the extent addressed in Section 16.1(a) or (b);
- (d) the Operating Carrier's breach of any of its representations or warranties set forth in Section 13 of this Agreement; or
- (e) any claim, demand, action or proceeding for infringement relating to the use by the Marketing Carrier in accordance with this Agreement of any Mark or other Intellectual Property of a third-party's Intellectual Property rights by the Operating Carrier's logos, trademarks, service marks, trade names or other Intellectual Property.

Provided, however, the Operating Carrier shall not be required to indemnify any Marketing Carrier Indemnified Party as set forth above for any liability arising from the Marketing Carrier Indemnified Party's fraud, gross negligence or willful misconduct.

16.2 Subject to the indemnities provided in Section 16.1(a), and without prejudice to any other written agreement or arrangement of either Party to indemnify the other Party, the Party that is the Marketing Carrier (or whose Affiliate is the Marketing Carrier) shall indemnify, defend, and hold harmless the Operating Carrier and its Affiliates and their respective directors, officers, employees, and agents (individually an "**Operating Carrier Indemnified Party**" and collectively, the "**Operating Carrier Indemnified Parties**") from and against any and all Damages arising out of, caused by, or occurring in connection with (or alleged to arise out of, be caused by, or occurring in connection with) any of the following:

- (a) the death of or injury to or delay of persons, or delay or loss of our damage to property (Including aircraft, equipment, baggage, mail or cargo) occurring while such persons or property are under the control or in the custody of the Marketing Carrier provided the indemnity in this clause shall not be applicable in circumstances where the Marketing Carrier had control or custody of such persons or property by virtue of another written agreement or arrangement between the Parties (for example an interline ticketing and baggage agreement or ground handling agreement);
- (b) the death of or injury to, or loss or damage to property of, third parties not carried onboard the aircraft operated by the Operating Carrier but occurring in connection with such operations, but only to the extent caused by the gross negligence or willful misconduct of the Marketing Carrier;
- (c) negligent acts or omissions of the Marketing Carrier that are related to its obligations under this Agreement, other than Damages to the extent addressed in Section 16.1 (a) or (b) or Section 16.2 (a) or (b) (IN WHICH CASE THE OPERATING CARRIER MUST INDEMNIFY THE MARKETING CARRIER AND OTHER MARKETING CARRIER INDEMNIFIED PARTIES NOTWITHSTANDING SUCH NEGLIGENCE ACTS OR OMISSIONS BUT NOT WILLFUL MISCONDUCT OR GROSS NEGLIGENCE) OF A MARKETING CARRIER INDEMNIFIED PARTY);
- (d) passenger claims based on the Marketing Carrier's failure to properly issue and complete transportation documentation in accordance with the provisions of the standard IATA or other applicable ticketing procedures, including, without limitation, the failure to put a proper notice of the limits of liability under the Warsaw Convention, as amended, or the Montreal Convention of

1999, as amended, on such documentation (it being understood that in ticketing Codeshare Passengers, the Marketing Carrier is entitled to apply the limits of liability provided in its own Conditions of Carriage); provided, however, the Marketing Carrier shall only be liable under this Section 16.2(d) for that portion of Damages that is in excess of the Damages against which the Operating Carrier would have been required to indemnify the Marketing Carrier under Section 16.1(a) if the Marketing Carrier had properly complied with all IATA ticketing procedures;

- (e) the Marketing Carrier's breach of its representations or warranties set forth in Section 13 of this Agreement; or
- (f) any claim, demand, action or proceeding for infringement relating to the use by the Operating Carrier in accordance with this Agreement of any Mark or other Intellectual Property of a third-party's Intellectual Property rights by the Marketing Carrier's logos, trademarks, service marks, trade names or other Intellectual Property.

Provided, however, the Marketing Carrier shall not be required to indemnify any Operating Carrier Indemnified Party as set forth above for any liability arising from the Operating Carrier Indemnified Party's fraud, gross negligence or willful misconduct.

- 16.3 A Party (the "**Indemnified Party**") that believes it is entitled to indemnification from the other Party (the "**Indemnifying Party**") pursuant to the terms of this Agreement with respect to a third-party claim shall provide the Indemnifying Party with written notice (an "**Indemnification Notice**") of such claim (provided, however, that the failure to give such notice shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that such failure is materially prejudicial to the Indemnifying Party), and the Indemnifying Party shall be entitled, at its own cost and expense and by its own legal advisors, to control the defense of or to settle any such third-party claim. The Indemnifying Party shall have the right to elect to settle any such claim for monetary Damages only, subject to the consent of the Indemnified Party; provided, however, if the Indemnified Party fails to give such consent to a settlement that has been agreed upon by the Indemnifying Party and the claimant in question within [REDACTED] of being requested to do so, the Indemnified Party shall assume the defense of such claim or demand and regardless of the outcome of such matter, the Indemnifying Party's liability hereunder shall be limited to the amount of any such proposed settlement. If the Indemnifying Party fails to take any action against the third-party claim that is the subject of an Indemnification Notice within [REDACTED] of receiving such Indemnification Notice, or otherwise contests its obligation to indemnify the Indemnified Party in connection therewith, the Indemnified Party may, upon providing prior written notice to, but without the further consent of, the Indemnifying Party settle or defend against such third-party claim for the account, and at the expense, of the Indemnifying Party. Except as set forth in this Section 16.3, the Indemnified Party shall not enter into any settlement or other compromise or consent to a judgment with respect to a third-party claim to which the Indemnifying Party has an indemnity obligation without the prior written consent of the Indemnifying Party.
- 16.4 In case of a lawsuit filed by a third-party, either through a judicial action or arbitration, against the Indemnified Party as a result of a failure or breach caused by the Indemnifying Party, the Indemnifying Party shall cooperate with the Indemnified Party to take control of the defense of such lawsuit. If taking control of the defense of the lawsuit is not legally possible in accordance with the legislation of the place where the lawsuit is filed, the Indemnifying Party shall cooperate with the Indemnified Party during the defense. Such cooperation shall include, but is not limited to, providing necessary documents, letters, witnesses and forensic expert, at the Indemnifying Party's own costs. If, at the end of the lawsuit, an unappealable decision is rendered in favor of the third party, the Indemnifying Party shall reimburse the Indemnified Party of any costs incurred during and as a result of the lawsuit,



including, but not limited to, reasonable attorney's fees and any amount paid to the third party as a result of the final judgment. If, during a lawsuit, a settlement can be made between the Indemnified Party and the third-party claimant, then, the consent of the Indemnifying Party shall be requested on the terms set forth in clause 16.3 above.

- 16.5 The Indemnified Party shall have the right, but not the duty, to participate in the defense of any claim with attorneys of its own choosing and at its own cost, without relieving the Indemnifying Party of any obligations hereunder. In addition, even if the Indemnifying Party shall have assumed the defense of a claim, the Indemnified Party shall have the right to assume control of the defense of such claim from the Indemnifying Party at any time, and to elect to settle or defend against such claim; provided, however, the Indemnifying Party shall have no indemnification obligations with respect to such claim except for the costs and expenses of the Indemnified Party (other than attorneys' fees incurred in participating in the defense of such claim) incurred prior to the assumption of the defense of the claim by the Indemnified Party.
- 16.6 Each Party further agrees to indemnify, defend and hold harmless the other Party from and against any and all Taxes, or assessments, as the case may be, levied upon or advanced by the Indemnified Party, but that ultimately the Indemnifying Party would be responsible for paying, which resulted from any transaction or activity contemplated by this Agreement.
- 16.7 For the avoidance of doubt, the provisions of this Section 16 shall govern and be fully enforceable as between the Parties, provided that nothing in this Agreement shall be deemed to limit any rights or remedies that may be available to a Codeshare Passenger concerning transportation on Codeshare Flights under Applicable Law (subject to any applicable limitations of liability related thereto).

## 17. LIMITATION OF LIABILITY

NEITHER PARTY SHALL BE LIABLE FOR ANY EXEMPLARY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOST REVENUES, LOST PROFITS OR LOST PROSPECTIVE ECONOMIC ADVANTAGE, ARISING FROM ANY PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT, OR ANY TERMINATION OF THIS AGREEMENT, EVEN IF SUCH PARTY KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY THEREOF, AND EACH PARTY HEREBY RELEASES AND WAIVES ANY CLAIMS AGAINST THE OTHER PARTY REGARDING ANY SUCH DAMAGES. THE PARTIES AGREE THE FOREGOING LIMITATIONS SHALL NOT APPLY TO A PARTY'S OBLIGATION TO INDEMNIFY THE OTHER IN ACCORDANCE WITH SECTION 16 FOR DAMAGES ARISING OUT OF OR RELATING TO A CLAIM, SUIT OR CAUSE OF ACTION BY A THIRD PARTY OR TO BREACHES OF CONFIDENTIALITY OBLIGATIONS SET FORTH IN THIS AGREEMENT.

## 18. INSURANCE

- 18.1 Insurance Coverage. During the Term, the Operating Carrier shall procure and maintain the following insurances in respect of the Codeshare Flights, operated by it, as contemplated by this Agreement:
- (a) aircraft third party, passenger (including passenger's baggage, cargo and/or mail) comprehensive general legal liability insurance policies (including war and allied perils coverage) relating to the flight operations contemplated under this Agreement, in an amount of not less than [REDACTED] for each occurrence so long as the Operating Carrier only operates aircraft with a number of seats fewer than [REDACTED], or (b) [REDACTED] for each occurrence so long as the Operating Carrier operates any aircraft with [REDACTED] or more seats (but, in

each case (a) and (b), in the aggregate in respect of products legal liability insurance and third party war legal liability insurance), and said liability insurance shall:

- (i) name the Marketing Carrier Indemnified Parties (but without imposing any liability on the Marketing Carrier Indemnified Parties to pay the premiums for such insurance) as additional insureds as their respective rights or interests may;
  - (ii) provide that, regarding the respective interests of the Marketing Carrier Indemnified Parties in such policies, the insurance shall not be invalidated by any action or inaction (including misrepresentation and/or non-disclosure) of the Operating Carrier or any other person which results in a breach of any term, condition or warranty of the policy, to the extent that the party so protected has not caused, contributed to or knowingly condoned the said action or inaction;
  - (iii) provide that if the insurers cancel such insurance for any reason whatsoever (other than due to lapse at the normal expiration date), or if any material change is made in such insurance which adversely affects the interests of Marketing Carrier, then Marketing Carrier shall be provided with [REDACTED] prior written notice of such cancellation or change; provided however, that if any such notice period is not reasonably obtainable (such as war risk insurance which shall be subject to [REDACTED] prior written notice), such policies shall provide for as long a period of notice as shall then be reasonably obtainable and notice to the Marketing Carrier hereunder shall be deemed notice to all Marketing Carrier Indemnified Parties;
  - (iv) be primary and without right of contribution from any other insurance which may be available to or carried by the Marketing Carrier Indemnified Parties;
  - (v) provide that the provisions thereof, except for the limits of liability, shall operate in the same manner as if there were a separate policy covering the Marketing Carrier Indemnified Parties; and
  - (vi) recognize the Operating Carrier's contractual undertaking to the Marketing Carrier as set forth in Section 16.1 to the extent of the coverage provided by the policies.
- (b) hull all risk insurance, including war risk, and such policy shall include a waiver of subrogation in favor of the Marketing Carrier Indemnified Parties to the extent of the indemnity set out in Section 16.1.

- 18.2 Prior to the implementation of Codeshare Flights pursuant to this Agreement, the Operating Carrier shall deliver a certificate of insurance to the Marketing Carrier evidencing compliance with Section 18.1 above. Certificates of insurance shall be of a type that unconditionally obligates the insurer to notify the Operating Carrier in writing at [REDACTED] in advance of the effective date in the event of any material change in, or cancellation of such insurance. Such notification shall be [REDACTED] or such lesser period as may from time to time be applicable in the case of any war risk and allied/associated perils coverage. In the event of a change of address of Marketing Carrier, the Marketing Carrier shall communicate such change to the Operating Carrier's insurer
- 18.3 If the Operating Carrier fails to effect or maintain any of the insurance required under Section 18.1 of this Agreement, the Marketing Carrier, without prejudice to any other rights it may have, may, immediately terminate this Agreement upon written notice to the Operating Carrier.

- 18.4 The Operating Carrier's obligations under Section 18.1 shall not be affected or limited in any way by the existence, or not, of any manufacturer's product liability insurance with respect to the matter giving rise to the relevant claim.

## 19. GOVERNING LAW; JURISDICTION

- 19.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) shall in all respects be governed by and interpreted in accordance with the laws of the State of New York (without regard to principles of conflicts of law), including all matters of construction, validity and performance applicable to contracts made and to be performed therein.
- 19.2 The Parties agree that all legal proceedings arising out of the construction, validity or performance of this Agreement shall be brought in the United States District Court for the Southern District of New York and the courts of the State of New York located in New York (Manhattan) County, and each Party agrees that the aforesaid courts shall be the exclusive original forum for any such action and hereby irrevocably consents to the jurisdiction of such courts. The Parties agree that any litigation relating directly or indirectly to this Agreement must be determined by a judge sitting alone and both Parties hereby expressly agree to waive any and all rights to a jury trial.

## 20. TAXES

- 20.1 Subject to Section 20.4, each Party shall be responsible for any net or gross income or franchise taxes (or taxes of a similar nature) on the revenues or income or any measure thereof which is attributable to it in connection with the sale of air transportation pursuant to this Agreement.
- 20.2 The Party that acts as the Ticketing Carrier in respect of any particular transaction shall collect, except as otherwise prohibited by Applicable Law, all Ticket Taxes relating to tickets sold or travel documents issued by it with respect to air transport pursuant to this Agreement. The Parties hereby agree as follows:
- (a) The Ticketing Carrier shall collect, report and remit to the taxation authorities any non-interlineable Ticket Taxes levied in connection with sales of the Codeshare Flights.
  - (b) The Ticketing Carrier shall collect any interlineable Ticket Taxes levied in connection with the sales of the Codeshare Flights. If the Ticketing Carrier is the Marketing Carrier or a third party, the Operating Carrier shall report and issue a debit invoice to the Ticketing Carrier through the IATA Clearing House for any interlineable Ticket Taxes levied in connection with the sales of the Codeshare Flights. The Operating Carrier shall remit to taxation authorities all such interlineable Ticket Taxes.
  - (c) The Operating Carrier may bill the Ticketing Carrier for any interlineable Ticket Taxes due or payable on or measured by passenger enplanement and payable or remittable by the Operating Carrier or the Marketing Carrier in accordance with industry guidelines outlined in the IATA Revenue Accounting Manual (IATA-RAM).
  - (d) If the Ticketing Carrier is a third party, the Marketing Carrier shall use commercially reasonable efforts to cause such third party to implement the foregoing provisions.

- 20.3 Notwithstanding the provisions of Section 20.2, if the Ticketing Carrier is prohibited by law from collecting certain Ticket Taxes in the country where tickets are sold or where travel documents are issued, then the Ticketing Carrier is relieved from collecting only such Ticket Taxes so prohibited by law and shall notify the Operating Carrier within [REDACTED] of the enactment of such laws which Ticket Taxes it is prohibited from collecting and render reasonable assistance to the Operating Carrier so that procedures can be implemented to collect such Ticket Taxes from the passenger.
- 20.4 Both Parties acknowledge that the tax laws of the countries in which they may operate in connection with the Codeshare Flights may require withholding of Taxes on certain of the payments that either of the Parties or their agents (the “Payer”) may be required to pay to the other Party (the “Payee”), under this Agreement. If Payer is so required by law to withhold Taxes, the Payer shall be entitled to do so and consequently the payments to the Payee shall be net of such withholding, provided only that the Payer takes all reasonable steps to reduce or eliminate any withholding consistent with Applicable Law. The Payer shall inform the Payee:
- (a) of any obligation of the Payer to withhold and the legal basis for such withholding;
  - (b) within [REDACTED] of receipt by the Payer of any directives that may be given to the Payer by such taxation authority; and
  - (c) within [REDACTED] of payment by the Payer to the relevant taxation authority the amounts withheld by Payer.
- 20.5 If either Party receives notice from any taxation authority with respect to any assessment or potential assessment or imposition of any Tax (collectively, an “Assessment”) relating to this Agreement, that the other Party may be responsible for paying, directly or indirectly, the Party so notified shall inform the other Party in writing within [REDACTED] of receipt of such notice. If the Party receiving such notice from a taxation authority is or will be required to pay any Assessment for which the other Party is ultimately responsible, it shall be entitled to be indemnified against such Assessment in accordance with Section 16. The Indemnifying Party shall have the option to defend or contest such Assessment in accordance with the procedures set forth in Section 16.

## 21. FORCE MAJEURE

- 21.1 Except with respect to the performance of payment, confidentiality, and indemnity obligations, which shall be unconditional under this Agreement, a Party shall not be liable to the other Party for any loss, injury, damage or delay whatsoever resulting, directly or indirectly, from a Force Majeure Event.
- 21.2 The Party prevented from complying with its obligations hereunder as a result of a Force Majeure Event shall promptly notify the other Party thereof as soon as possible and, at the request of the other Party, the Parties shall meet to discuss the circumstances and potential solutions to such Force Majeure Event, including its mitigation. If either Party relies on the occurrence of a Force Majeure Event as a basis for being excused from performance of its obligations hereunder, the Party relying on the Force Majeure Event shall: (i) provide an estimate of the expected duration of the Force Majeure Event and its probable impact on the performance of such Party's obligations under this Agreement; (ii) exercise commercially reasonable efforts to continue to perform its obligations under this Agreement; (iii) promptly take action to correct or cure the Force Majeure Event and mitigate any damages related thereto; and (iv) provide notice to the other Party, as soon as possible, of the cessation, if any, of the Force Majeure Event.



## 22. CONFIDENTIALITY

- 22.1 Except as necessary to obtain any Government Approvals or as otherwise provided below, each Party shall, and shall ensure that its directors, officers, employees, professional advisors, and Affiliates, and its Affiliates' respective directors, officers, employees, and professional advisors (collectively, the **"Representatives"**), at all times, maintain strict confidence, secrecy, and do not divulge, disseminate, or otherwise disclose to any third parties, the Confidential Information of the other Party (including its Affiliates) received directly or indirectly as a result of this Agreement, unless such other Party expressly consents to such disclosure in writing.
- 22.2 If a Party (the **"Disclosing Party"**) is requested to disclose any Confidential Information of the other Party (the **"Affected Party"**) under the terms of a subpoena or order issued by a court or governmental body, it shall (a) notify the Affected Party promptly of the existence, terms, and circumstances surrounding such request, (b) consult with the Affected Party on the advisability of taking legally available steps to resist or narrow such request, and (c) if any disclosure of Confidential Information is required to prevent the Disclosing Party from being held in contempt or subject to other legal penalty, furnish, after consultation with legal counsel, only such portion of the Confidential Information as it is legally compelled to disclose and use commercially reasonable efforts to obtain an order or other reliable assurance that confidential treatment shall be accorded to the disclosed Confidential Information. Each Party agrees to transmit Confidential Information only to such of its Representatives as required for the purpose of implementing and administering this Agreement and shall inform such Representatives of the confidential nature of the Confidential Information and instruct such Representatives to treat such Confidential Information in a manner consistent with this Section 22. Each Party agrees to be responsible for any breach of the provisions set forth in this Section 22 by its respective Representatives. Furthermore, neither Party shall use the Confidential Information of the other Party for any purpose other than as expressly provided in this Agreement.
- 22.3 After the termination of this Agreement, upon the request of the other Party, a Party shall, either deliver to the other Party or destroy all copies of the other Party's Confidential Information in its possession or the possession of any of its Representatives (including, without limitation, any reports, memoranda or other materials prepared by such Party or at its direction) and purge all copies encoded or stored on magnetic or other electronic media or processors, unless and only to the extent that the Confidential Information is necessary for the continued administration and operation of such Party's programs or is reasonably necessary in connection with the resolution of any dispute between the Parties; provided, however, that any Confidential Information not purged or destroyed pursuant to the preceding clause shall be purged or destroyed as soon as it is no longer reasonably necessary for continued administration or resolution of disputes; and provided, further, each Party may retain specified information as may otherwise be provided in this Agreement. Notwithstanding the foregoing provisions of this Section 22.3, if it is not feasible for a Party (after the Party has made all reasonable efforts) to deliver or destroy any portion of the other Party's Confidential Information because of the non-segregable nature of such information and because such delivery or destruction would cause a material disruption to the Party's operations, then the Party will not be obligated to deliver or destroy such Confidential Information, but the Party will notify and identify to the other Party (with as much specificity as is reasonably possible) the Confidential Information which is incapable of being delivered or destroyed.
- 22.4 Each Party acknowledges and agrees that in the event of any breach of this Section 22, the Affected Party shall be irreparably and immediately harmed and could not be made whole by monetary Damages. Accordingly, it is agreed that, in addition to any other remedy at law or in equity, the Affected Party shall be entitled to an injunction or injunctions (without the posting of any bond and without proof of

actual Damages) to prevent breaches or threatened breaches of this Section 22 and/or to compel specific performance of this Section 22.

- 22.5 The confidentiality obligations of the Parties under this Section 22 shall survive the termination or expiration of this Agreement for a period of [REDACTED] thereafter.

### **23. ASSIGNMENT; SUBCONTRACTING**

Neither Party may assign, transfer or otherwise convey any of its rights under this Agreement, or delegate or subcontract any of its duties hereunder, without the prior written consent of the other Party. Any purported assignment, transfer or conveyance without such consent shall be null and void.

### **24. SEVERABILITY**

If any provision of this Agreement is or becomes illegal, invalid or unenforceable under the law of any jurisdiction, such provision shall be severed from this Agreement in the jurisdiction in question and shall not affect the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or the enforceability of such provision under the law of any other jurisdiction; unless, in the reasonable opinion of either Party, any such severance affects the commercial basis of this Agreement, in which case the Party shall promptly so inform the other Party and the Parties shall commence within [REDACTED] to negotiate in good faith to agree upon modification of this Agreement so as to maintain the balance of the commercial interests of the Parties. If, however, such negotiations are not successfully concluded within [REDACTED] from the date a Party has informed the other that the commercial basis has been affected, either Party may terminate this Agreement by giving at least [REDACTED] prior written notice to the other Party.

### **25. DATA PROTECTION**

- 25.1 During the Term and thereafter for so long as either Party maintains in its possession or control any Customer Data of the other Party, such Party shall comply with all Data Protection Laws, contractual requirements and industry practices, including those pertaining to the collection, use, privacy, security, storage, transfer, administration, processing and permitted disclosure of Personal Data, advertising practices, distribution of unsolicited communications, and with the rules, regulations, guidelines and procedures of the Payment Card Industry Data Security Standard Requirements, including the Payment Application Data Security Standard (PA-DSS). Without limiting the generality of the foregoing, each Party shall implement and maintain information technology and systems security, business continuation, backup and disaster recovery measures, and anti-virus protections that are consistent with industry best practices and standards, and shall immediately notify the other Party in the event that such Party has knowledge of, or reasonably suspects, that any Customer Data in its possession or control has been or may have been subject to unauthorized internal or external access or use.
- 25.2 Prior to the Effective Date, the Parties shall enter into a Data Security and Processing Agreement in form and substance mutually agreed by both Parties (the "**Data Security and Processing Agreement**") in order to implement all required data privacy and cybersecurity regulations under Applicable Law.

### **26. FURTHER ASSURANCES**

Each Party shall perform such further acts and execute and deliver such further instruments and documents at such Party's cost and expense as may be required by Applicable Law or as may be reasonably requested by the other Party to carry out and effectuate the purposes of this Agreement.

## 27. NOTICES

Unless otherwise expressly required in this Agreement or the Procedures Manual, all notices, reports, invoices and other communications required or permitted to be given to or made upon a Party to this Agreement shall be in writing, shall be addressed as provided below and shall be considered as properly given and received: (i) when delivered, if delivered in person (and a signed acknowledgment of receipt is obtained); (ii) [REDACTED] after dispatch, if dispatched by a recognized express delivery service that provides signed acknowledgments of receipt; or (iii) [REDACTED] after deposit in the applicable postal service delivery system. Each Party shall have the right to change its address for notice to any other location by giving at least [REDACTED] prior written notice to the other Party in the manner set forth above.

### **If to airBaltic:**

Air Baltic Corporation AS  
Tehnikas iela 3, Lidosta "Rīga"  
Marupes nov.  
LV-1053  
Attention: SVP Network Management  
e-mail: [REDACTED]

### **If to Delta:**

Delta Air Lines, Inc.  
1030 Delta Boulevard  
Dept. 761  
Atlanta, GA 30354, USA  
Attention: Senior Vice President – Alliances

With a copy to:

Delta Air Lines, Inc.  
1030 Delta Boulevard  
Dept. 981  
Atlanta, GA 30354, USA  
Attention: General Counsel

## 28. SOVEREIGN IMMUNITY

Each Party acknowledges that the transactions contemplated by this Agreement involve commercial activity carried on throughout the world. To the extent that either Party hereto or any of its property is or becomes entitled at any time to any immunity, on the grounds of sovereignty or otherwise, from any legal action, suit, arbitration proceeding or other proceeding, from set-off or counterclaim, from the jurisdiction of any court of competent jurisdiction, from service of process, from attachment prior to judgment or after judgment, from attachment in aid of execution or levy or execution resulting from a decree or judgment, from judgment or from jurisdiction, that Party for itself and its property does hereby irrevocably and unconditionally waive all rights to, and agrees not to plead or claim any such immunity with respect to its obligations, liabilities or any other matter arising out of or in connection with this Agreement or the subject matter of this Agreement. Such agreement shall be irrevocable and not subject to withdrawal in any and all jurisdictions, including under the Foreign Sovereign Immunities Act of 1976 of the United States of America.



## 29. REGIONAL CARRIERS

In the event Delta designates Codeshare Flights to be operated by one or more Delta Connection Carriers, then such carrier, airBaltic and Delta shall execute a separate codeshare agreement, containing substantially similar terms to this Agreement (provided that the Parties may agree upon a different required amount of the insurance coverage for such Delta Connection Carrier), or incorporating by reference the terms of this Agreement (and changes in the amount of required insurance coverage, if any), and Annex B setting forth the applicable Routes.

## 30. MISCELLANEOUS

- 30.1 This Agreement contains the entire agreement between the Parties relating to its subject matter and supersedes any prior understandings or agreements between the Parties regarding the same subject matter. This Agreement may not be amended or modified except in writing signed by a duly authorized representative of each Party.
- 30.2 Each Party shall be deemed an independent contractor hereunder. Nothing in this Agreement is intended or shall be construed to create or establish any agency, partnership or fiduciary relationship between the Parties. Except as expressly provided in this Agreement or any other written agreement between the Parties, neither Party nor any of its Affiliates shall have any authority to act for or to incur any obligations on behalf of or in the name of the other Party or any of its Affiliates and neither Party nor its Affiliates shall hold itself out to be an agent or representative of the other Party or any of its Affiliates. Nothing in this Agreement shall be construed to create between the Parties and/or the Parties' Representatives any partnership, joint venture, employment relationship, franchise or agency (except that the Operating Carrier shall have supervisory control over all passengers during any Codeshare Flight, including any employees, agent or contractors of the Marketing Carrier who are on board any such flight).
- 30.3 All rights, remedies and obligations of the Parties hereto shall accrue and apply solely to the Parties hereto and their permitted successors and assigns; there is no intent to benefit any third parties, including the creditors of either Party.
- 30.4 This Agreement may be executed and delivered by the Parties in separate counterparts (including by PDF), each of which when so executed and delivered shall be an original, but all of which taken together shall constitute one and the same instrument. The Parties will consider a digitally signed Agreement and any other documents executed in connection therewith as valid and mutually binding, regardless of the technological solution used as long as they use a secure electronic signature within the meaning of the Regulation No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market. The Parties agree that DocuSign and eSignature (recognized in the Republic of Latvia and available at: [eparaksts.lv/en/](http://eparaksts.lv/en/)) falls within such meaning.
- 30.5 No failure to exercise and no delay in exercising, on the part of any Party, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof of the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges in this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. The failure of any Party to insist upon a strict performance of any of the terms or provisions of this Agreement, or to exercise any option, right or remedy contained in this Agreement, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by any



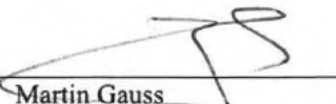
Party of any term or provision of this Agreement shall be deemed to have been made unless expressed in writing and signed by such Party.

- 30.6 Although translations of this Agreement may be made into any other language for the convenience of the Parties, the English version will govern for all purposes of the interpretations and performance of this Agreement.
- 30.7 The Parties intend to coordinate all permitted public announcements, press releases or other information provided to the media regarding this Agreement and any related agreements, and each Party agrees to use its commercially reasonable efforts to review any such materials with the other Party before distributing those materials to media representatives or any other person.
- 30.8 Each of the Parties hereto shall bear its own lawyers', accountants' and other fees, costs and expenses incurred in connection with the negotiation, execution and performance of this Agreement and any of the transactions contemplated hereby or thereby.
- 30.9 Unless otherwise specified in this agreement, all references in this Agreement to "herein", "hereof", "hereto", "hereby", and "hereunder" shall be deemed references to this Agreement as a whole and not to any particular section, subsection, paragraph, sentence or clause of this Agreement. Unless otherwise specified in this Agreement, references herein to "including" or "include" shall mean "including without limitation" or "include without limitation", respectively. references herein to the termination of this Agreement (or words of similar import) shall mean the termination of this Agreement by exercise of termination rights.
- 30.10 All Annexes, Appendices and Exhibits to this Agreement are incorporated into this Agreement and made a part of this Agreement for all purposes.
- 30.11 The captions appearing in this Agreement have been inserted as a matter of convenience and in no way define, limit or enlarge the scope of this Agreement or any of the provisions of this Agreement.
- 30.12 This Agreement is the product of negotiations between the Parties and shall be construed as if jointly prepared and drafted by them, and no provision hereof shall be construed for or against any Party by reason of ambiguity in language, rules of construction against the drafting Party or similar doctrine.
- 30.13 The Parties agree to fully comply with all applicable foreign corrupt practices regulations, including the UK Bribery Act and the U.S. Foreign Corrupt Practices Act, as amended. Furthermore, each Party represents and warrants that neither it nor any of its employees, agents, or any other person acting on behalf of it will not: (a) receive, directly or indirectly, any rebates, payments, commissions, promotional allowances or any other economic benefits, (regardless of their nature or type) from, and (b) directly or indirectly, give or agree to give any money, gift or similar benefit to, any governmental official, employee, agent and/or representative of any federal, state, municipal or foreign governmental authority, who was, is or may be in a position to help or hinder the business of the Parties (or assist the Parties in connection with any actual or proposed transaction).


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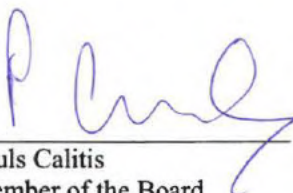
**IN WITNESS WHEREOF**, the duly authorized representatives of the Parties have executed this Agreement as of the Effective Date.

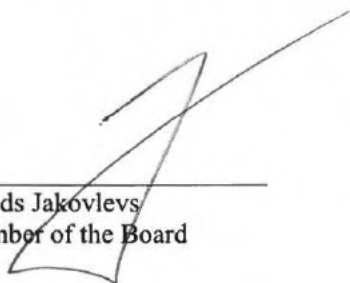
**AIR BALTIC CORPORATION AS**

By:   
Name: Martin Gauss  
Title: Chairman of the Board  
Date:

**DELTA AIR LINES, INC.**

By:   
Name: Jeff Arinder  
Title: Vice President - Alliances  
Date: 5/25/2021

By:   
Name: Pauls Calitis  
Title: Member of the Board  
Date:

By:   
Name: Vitolds Jakovlevs  
Title: Member of the Board  
Date:

## ANNEX A: DEFINITIONS

“**Affected Party**” has the meaning assigned such term in Section 22.2.

“**Affiliate**” means, with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by, or under common control with, such person or entity. For purposes of this definition, “control” (including “controlled by” and “under common control with”) means the power, directly or indirectly, to direct or cause the direction of the management and policies of such person or entity.

“**Agreement**” has the meaning given such term in the preamble.

“**airBaltic**” has the meaning given such term in the preamble.

“**Airline Guides**” means the printed and electronic data versions of the “**Official Airline Guide**” and the “**ABC World Airlines Guide**,” and their respective successors.

“**Applicable Law**” means all applicable laws of any jurisdiction including securities laws, tax laws, tariff and trade laws, ordinances, judgments, decrees, injunctions, writs, and orders or like actions of any Competent Authority and the rules, regulations, orders or like actions of any Competent Authority and the interpretations, licenses, and permits of any Competent Authority.

“**ATPCO**” means the Airline Tariff Publishing Company, and any successor thereto.

“**Assessment**” has the meaning assigned to such term in Section 20.5.

“**Business Day**” means any day other than a Saturday, Sunday or other day in which banking institutions in New York (USA) or Riga (Latvia) are required by Applicable Law to be closed.

“**Code**” means the two (2) character identifier assigned to a carrier by IATA for the purpose of, among other things, (i) exchanging interline carrier messages in accordance with AIRIMPS procedures; and (ii) publishing, identifying and/or commercializing its flights through the CRSs, Airline Guides and/or Reservation Systems and/or other sources of airline schedule information (“**BT**” for airBaltic and “**DL**” for Delta).

“**Codeshare Flight**” means a flight on which both Parties have placed their respective Codes, as defined in Section 2.1 and Annex B.

“**Codeshare Route**” has the meaning assigned to such term in Section 2.1.

“**Codeshare Passenger**” means a passenger traveling on a Marketing Carrier Flight Coupon.

“**Competent Authority**” means any national, federal, state, county, local or municipal government body, bureau, commission, board, board of arbitration, instrumentality, authority, agency, court, department, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) having jurisdiction over this Agreement or either Party.

“**Conditions of Carriage**” means those conditions of contract, tariffs and rules of carriage of a Party that govern the transport of passengers traveling on tickets showing such Party’s Code in the carrier code box of the flight coupon.

“**Confidential Information**” means (a) all confidential or proprietary information of a Party, including, without limitation, trade secrets, information concerning past, present and future research, development, business activities

and affairs, finances, properties, methods of operation, processes and systems, customer lists, customer information (such as passenger name record or “**PNR**” data) and computer procedures and access codes; and (b) the terms and conditions of this Agreement and any reports, invoices or other communications between the Parties given in connection with the negotiation or performance of this Agreement; and (c) excludes (i) information already in a Party’s possession prior to its disclosure by the other Party; (ii) information obtained from a third person or entity that is not prohibited from transmitting such information to the receiving Party as a result of a contractual, legal or fiduciary obligation to the Party whose information is being disclosed; (iii) information that is or becomes generally available to the public, other than as a result of disclosure by a Party in violation of this Agreement; or (iv) information that has been or is independently acquired or developed by a Party, or its Affiliate, without violating any of its obligations under this Agreement.

“**CRS**” means a computerized reservation system owned or operated by any entity, including either Party to this Agreement, that contains information about commercial airline schedules, fares, cargo rates, passenger and cargo tariff rules and flight availability that is made available to travel agents, cargo agents and other non-airline entities to facilitate their ability to make reservations and issue tickets and air waybills.

“**Customer Data**” means any Personal Data relating to a Party’s customers, clients or end users, including members of a Party’s frequent flyer program.

“**Damages**” means all third party claims, suits, causes of action, penalties, liabilities, judgments, demands, recoveries, awards, settlements, penalties, fines, losses and expenses of any nature or kind whatsoever under the laws of any jurisdiction (whether arising in tort, contract, under the Warsaw Convention, as amended, or the Montreal Convention of 1999, as amended, and related instruments, as the European Community Regulations related to Montreal Convention or the Regulation (EC) No. 261/2004 of the European Parliament and of the Council establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights, or otherwise), including reasonable costs and expenses of investigating, preparing or defending any claim, suit, action or proceeding (including post judgment and appellate proceedings or proceedings that are incidental to the successful establishment of a right of indemnification), such as reasonable attorneys’ fees and fees for expert witnesses, consultants and litigation support services.

“**Data Security and Processing Agreement**” has the meaning given such term in Section 25.2.

“**Data Protection Law**” means all Applicable Laws relating to data protection and privacy including (among others) the Data Protection Directive (95/46 / EC) in the form implemented in each jurisdiction, the General Data Protection Regulation 2016/679, Directive 2002/58 / EC on Privacy and Electronic Communications in the form implemented in each jurisdiction, and any legislation that modifies or replaces them.

“**Delta**” has the meaning given such term in the preamble.

“**Delta Connection Carrier**” shall mean any carrier operating under a capacity purchase or similar agreement with Delta pursuant to which such carrier provides scheduled air transportation services under Delta’s designator code, using substantially the same livery and trade name as Delta, and where revenue on such carrier’s flights pursuant to such agreement is inventory controlled by Delta.

“**DHS**” means the U.S. Department of Homeland Security.

“**Disclosing Party**” has the meaning assigned such term in Section 22.2.

“**DOD**” means the U.S. Department of Defense.

“**DOT**” means the U.S. Department of Transportation.

**“Effective Date”** has the meaning given such term in the preamble.

**“FAA”** means the Federal Aviation Administration, U.S. Department of Transportation.

**“Force Majeure Event”** means any event beyond a Party’s reasonable control which substantially limits or prevents such Party from performing its obligations pursuant to this Agreement, including governmental interference, direction or restriction, confiscation or requisition for use of aircraft or engines by a Competent Authority, war or civil commotion, strikes, lock-out, labor disputes, public enemy, blockade, insurrections, riots, acts of nature, aircraft grounding imposed by a Competent Authority, epidemics or quarantine restrictions.

**“Governmental Approvals”** means all material authorizations, licenses, certificates, exemptions, designations, or other approvals of Competent Authorities that are reasonably required (in the opinion of either Party) to be obtained in connection with this Agreement, the Codesharing and/or the operation of the Codeshare Flights contemplated hereunder.

**“IATA”** means the International Air Transport Association, and any successor thereto.

**“IATA Clearing House”** means the clearing house established by IATA to administer and implement revenue settlement by reference to the Revenue Accounting Manual published by IATA.

**“Indemnified Party”** has the meaning assigned such term in Section 16.3.

**“Indemnifying Party”** has the meaning assigned such term in Section 16.3.

**“Intellectual Property”** of a Party means all or any of its intellectual property rights (whether in existence prior to or at the date of this Agreement or developed hereafter) including without limitation registered designs, unregistered designs, patents, inventions, copyrights, trademarks, service marks, trade names, plans, logos, specifications, symbols, emblems or insignia, whether or not registered or protected by copyright.

**“Irregular Event”** has the meaning assigned such term in Section 2.6.

**“Marks”** of a Party means all or any trademarks, service marks, tradenames and copyrights owned by or licensed to such Party.

**“Marketing Carrier”** means the Party whose Code is shown in the carrier code box of a flight coupon for a Codeshare Flight but which is not the Operating Carrier.

**“Marketing Carrier Flight”** means a Codeshare Flight when displayed, sold, or referred to as a flight of the Marketing Carrier rather than a flight of the Operating Carrier, such as when using the Marketing Carrier’s name, Designator Code and/or flight number.

**“Marketing Carrier Flight Coupon”** means a flight coupon (electronic or paper) of a ticket issued by the Marketing Carrier, Operating Carrier or a third party for travel on a Codeshare Flight showing the Marketing Carrier’s Code (i) in the carrier code box in the case of a paper ticket, and (ii) in the transporting carrier field in the case of an electronic ticket.

**“Marketing Carrier Indemnified Party”** has the meaning assigned such term in Section 16.1.

**“Marketing Carrier Reviews”** has the meaning assigned such term in Section 9.5.



**“Marketing Carrier Ticket”** means a ticket issued by the Marketing Carrier, Operating Carrier or a third party that contains at least one Marketing Carrier Flight Coupon.

**“Operating Carrier”** means the air carrier having operational control of an aircraft used for a given Codeshare Flight.

**“Operating Carrier Indemnified Party”** has the meaning assigned such term in Section 16.2.

**“Personal Data”** means any information (including a person’s name, street address, telephone number, e-mail address, photograph, social security number, tax identification number, driver’s license number, passport number, payment card number, bank account information and other financial information, customer or account numbers, account access codes and passwords, medical records, geographic location, health or diet information, family members, political beliefs, group memberships, social security number, internet browsing history, persistent identifier, order and purchase histories, amounts spent, platform behavior, conduct, preferences, demographic data and any other data and information) which, whether alone or in combination with other information, identifies or is associated with an identified natural person.

**“Procedures Manual”** means a detailed procedures manual prepared by the Parties for implementing the transactions contemplated by this Agreement.

**“Representatives”** has the meaning assigned such term in Section 22.1.

**“Reservations System”** means the internal computerized airline passenger or cargo reservations system used by the personnel of an airline that contains information about flight schedules, fares, cargo rates, passenger and cargo tariff rules and seat availability of that airline and other carriers, and provides the ability to make reservations and issue tickets or air waybills.

**“Special Prorate Agreement”** means the agreement between the Parties relating to the proration of interline revenue.

**“Term”** has the meaning assigned such term in Section 15.1.

**“Ticket Taxes”** means any transactional taxes or passenger facility charges, including, without limitation, service taxes, sales taxes, use taxes, stamp taxes, excise taxes, value added taxes, gross receipt taxes, departure taxes, surcharges and travel taxes, and all related charges, fees, licenses or assessments (and any interest or penalty thereon) imposed on passengers (or which air carriers or their agents are required to collect from passengers) by any authority in any country, or political subdivision thereof or public authority operating therein (including, without limitation any national, federal, state, provincial, territorial, local, municipal, port or airport authority) or which are levied upon passengers by operation of Applicable Law or industry standard.

**“Ticketing Carrier”** means a carrier whose traffic documents are used to issue a ticket.

**“\$” or “US\$” or “Dollars”** means lawful currency of the United States of America.

## ANNEX B: CODESHARE ROUTES

Codeshare Routes shall consist of any city pair route mutually agreed by the Parties from time to time in writing. The initial Codeshare Routes on which the Parties have agreed to place their respective Codes, subject to receipt of all required Governmental Approvals, are identified with an (\*) in the list below. All other city pair routes listed below are city pair routes on which the Parties may, subject to mutual agreement, Codeshare in the future. The Parties shall mutually designate those flights serving the Codeshare Routes on which the Parties shall place their respective Codes. Codesharing on any Codeshare Route shall be subject to receipt of all required Governmental Approvals and shall commence on such date or dates as may be mutually agreed by the Parties in writing. Codesharing hereunder shall be with respect to international traffic connections only.

With respect to those Codeshare Routes listed in Section 1 (*Points Beyond Codeshare Routes*) of this Annex B where Delta is the Operating Carrier, Delta may designate from time to time those flights to be operated under the Delta Code by Delta and/or one or more Delta Connection Carriers pursuant to Section 29.

### 1. Points Beyond Codeshare Routes:

Routes		Operating Carrier	Marketing Carrier Code
Amsterdam (AMS)	Riga (RIX)	BT	DL
Amsterdam (AMS)	Vilnius (VNO)	BT	DL
Amsterdam (AMS)	Tallinn (TLL)	BT	DL
Barcelona (BCN)	Riga (RIX)	BT	DL
Brussels (BRU)	Riga (RIX)	BT	DL
Brussels (BRU)	Tallinn (TLL)	BT	DL
Copenhagen (CPH)	Riga (RIX)	BT	DL
Copenhagen (CPH)	Tallinn (TLL)	BT	DL
Dublin (DUB)	Riga (RIX)	BT	DL
Dusseldorf (DUS)	Riga (RIX)	BT	DL
Edinburgh	Riga (RIX)	BT	DL
Frankfurt (FRA)	Riga (RIX)	BT	DL
Madrid (MAD)	Riga (RIX)	BT	DL
Munich (MUC)	Riga (RIX)	BT	DL
Munich (MUC)	Tallinn (TLL)	BT	DL
Munich (MUC)	Vilnius (VNO)	BT	DL
Milan (MXP)	Riga (RIX)	BT	DL
Nice (NCE)	Riga (RIX)	BT	DL
Paris (CDG)	Riga (RIX)	BT	DL
Paris (CDG)	Vilnius (VNO)	BT	DL
Paris (CDG)	Tallinn (TLL)	BT	DL
Prague (PRG)	Riga (RIX)	BT	DL
Stuttgart (STR)	Riga (RIX)	BT	DL
Zurich (ZRH)	Riga (RIX)	BT	DL